

**RE: DEFERMENT OF 2005-2006 STUDENT TUITION RECOVERY FUND (STRF)
ASSESSMENTS FOR CURRENTLY APPROVED DEGREE-GRANTING INSTITUTIONS**

Dear School Administrator:

Subject to the below exceptions, Education Code section 94945(a)(6) prohibits the Bureau from levying STRF assessments for the degree granting postsecondary educational institution account if “as of June 30 of the prior fiscal year, the balance in that account of the fund exceeds one million five hundred thousand dollars (\$1,500,000).” The Bureau has projected that it will exceed its \$1.5 million dollar cap for the degree account as of June 30, 2005.

As a result, effective **July 1, 2005**, the Bureau will **not** be sending out STRF Assessment Reporting Forms or collecting STRF fees from most approved degree-granting institutions for the next fiscal year (**July 1, 2005 – June 30, 2006**).

PLEASE MAKE SURE THAT YOUR INSTITUTION DOES **NOT** COLLECT ANY FEES FROM STUDENTS DURING THESE DATES, UNLESS ONE OF THE EXCEPTIONS BELOW APPLIES.

You must continue to remit STRF fees from each new student during the next fiscal year if one of the following exceptions applies:

- (1) Your institution is a Non-Degree or Registered Institution (offering short-term career training programs only).
- (2) Your institution is a Degree-Granting Institution that obtains approval to operate on or after July 1, 2005. (Education Code section 94945(a)(6).)
- (3) Your institution is a Degree-Granting Institution that failed to pay assessments for a total of 16 quarters as required. (Title 5, California Code of Regulations section 76120(d).)

Unless the balance in any applicable STRF account falls below \$250,000 or one of the above exceptions applies, no assessments will be collected during the 2005-2006 fiscal year. However, you are still responsible for any outstanding STRF fees owed by your institution through June 30, 2005. Failure to pay any outstanding STRF fees may result in the revocation of the institution’s approval to operate, or the denial of a renewal application [Education Code sections 94830 and 94946; Title 5, California Code of Regulations section 74000(e)].

If none of the exceptions above apply to your institution, please cease collection of STRF fees, as of July 1, 2005. You will be notified in advance when assessments and STRF fee collections will be resumed.

Please note that your institution will be receiving a STRF Assessment Reporting Form in July 2005 for the final quarter of this fiscal year (**April 1, 2005 – June 30, 2005**). **The institution is still required to return the Reporting Form and remit all STRF fees previously collected from students during that period.** Failure to do so may result in revocation of the institution’s approval to operate or denial of a renewal application.

If you have any questions about this notice, please contact Michele Hedding at (916) 574-7724.

Sincerely,

BARBARA WARD
Bureau Chief